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Message Text

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ACTION PM-05

INFO OCT-01 EA-10 ISO-00 NSC-05 SP-02 SS-15 EB-08
COME-00 TRSE-00 AID-05 IGA-02 ACDA-12 MCE-00 L-03
CIAE-00 INR-07 NSAE-00 /075 W
----------105810 230638Z /11
P 230558Z JAN 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC PRIORITY 678
INFO SECDEF WASHDC
JCS WASHDC
CINCPAC
CINCPACREPPHIL

C O N F I D E N T I A L MANILA 1132

E.O. 11652: GDS
TAGS: MASS, RP
SUBJECT: INTERNATIONAL TECHNICAL PRODUCTS CORPORATION (ITPC)
RADAR PROJECT

REF: A. 77 MANILA 18926 B) MANILA 955 C) CINCPAC 200415Z JAN 78

1. ITPC HAD FOLLOWING LETTER DELIVERED TO DCM JANUARY 20:
BEGIN QUOTE. THANK YOU ONCE AGAIN FOR TAKING THE TIME TO
MEET WITH US ON THE CONTROL REPORTING POST (CRP) PROGRAM.
I AM SURE BY NOW YOU ARE A LITTLE TIRED OF THE SUBJECT,
BUT IT IS OF IMPORTANCE TO US.

AS WE DISCUSSED, AFTER MEETING WITH VERY HIGH LEVELS
IN THE PHILIPPINE GOVERNMENT, IT IS NOW VERY CLEAR THAT
THE PRESIDENT OF THE PHILIPPINES PLANS TO HOLD THE CONTRACT
EXECUTED WITH INTERNATIONAL TECHNICAL PROJECTS CORPORATION
(ITPC) AWAITING A U.S. GOVERNMENT OFFER. WE ARE TOLD HE
HAS BEEN ENCOURAGED IN THIS ACTION BY ADMIRAL MAURICE
F. WEISNER'S "OFFER", TO THE SPECIAL AMBASSADOR, TO HAVE
RADARS INSTALLED IN COUNTRY IN SIX (6) MONTHS. THE
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PRESIDENT'S POSITION HAS BEEN PUT IN WRITING TO THE
SECRETARY OF NATIONAL DEFENSE, AND STATED TO THE
PHILIPPINE NATIONAL SECURITY COUNCIL.

THE CRP PROGRAM HAS THE HIGHEST PRIORITY (IN TIMING)
IN THE PHILIPPINES' DND. THE OFFER OF A SIX (6) MONTHS
DELIVERY IS ATTRACTIVE AS OUR CONTRACT CALLS FOR TWO (2)

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YEARS. WE ARE DISTURBED BECAUSE EVEN IF THE SIX (6) MONTHS IS REALISTIC, WHICH IS DIFFICULT TO BELIEVE, THIS PERIOD COULD NOT START PRIOR TO CONGRESSIONAL APPROVAL OF THE TRANSFER. IN ADDITION, THE GOVERNMENT OF THE PHILIPPINES HAS INVESTED APPROXIMATELY EIGHTEEN (18) MILLION DOLLARS ($18,000,000) IN COMMUNICATIONS EQUIPMENT AND SITE PREPARATION FOR THIS PROGRAM. WE ASSUME THE RADAR BEING CONSIDERED IS THE TPS-43E TO BE TAKEN FROM USAF INVENTORY. THE RADAR COULD NOT USE THE SITES PRESENTLY BEING PREPARED BECAUSE OF RANGE LIMITATIONS, AND WILL NOT INTERFACE DIRECTLY INTO THE ALREADY PROCURED COMMUNICATIONS SYSTEM.

IT IS CLEAR FROM OUR CONVERSATIONS WITH THE DEFENSE ESTABLISHMENT IN THE PHILIPPINES THAT THEY WOULD PREFER TO PROCEED WITH THE EXISTING CONTRACT. THEY HAVE BEEN DELAYED BY PERIODIC "SUGGESTIONS" THAT A U.S. OFFER IS "PENDING." WHEN ONE CONSIDERS THE TOTAL OF EQUIPMENTS WHICH COULD BE PROVIDED THE PHILIPPINE MILITARY AS A PART OF THE BASES CONSIDERATION, IT IS DIFFICULT TO VISUALIZE WHY THE RADAR SHOULD BE MADE A PART OF THE U.S. OFFER AND NOT BE ALLOWED TO PROCEED AS A COMMERCIAL CONTRACT.

AT THIS TIME WE ARE ENTERING INTO A SITUATION WHERE ITPC AND THE U.S. AIR FORCE WILL BE SUBMITTING AND CRITICIZING COMPETITIVE OFFERS; IN FACT, THE PROCESS HAS ALREADY STARTED. WE SUGGEST THAT THIS IS NOT IN THE BEST
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INTEREST OF EITHER PARTY, AND WILL PROBABLY RESULT IN THE LOSS OF THIS LARGE EXPORT SALE.

THEREFORE, WE AGAIN REQUEST THAT THE U.S. POLICY OF NOT COMPETING WITH EXISTENT COMMERCIAL CHANNELS BE APPLIED AND THAT THE PHILIPPINE GOVERNMENT BE ADVISED IMMEDIATELY THAT A GOVERNMENT-TO-GOVERNMENT OFFER IS NOT CONSIDERED APPROPRIATE IN THIS CASE.

WE WOULD APPRECIATE YOUR EARLIEST REPLY ON THIS MATTER AS TIME IS CRITICAL AND WE FEEL WE MUST RETAIN OUR OPTION TO APPEAL OUR CASE. VERY TURLY YOURS, ITPC, DONAL L. CARDIFF, VICE PRESIDENT OF OPERATIONS. END QUOTE.

2. WE INTEND TO WRITE ITPC JANUARY 27 TAKING NOTE OF ITS EXPRESSED CONCERNS AND INDICATING THAT WE HAVE RELAYED THOSE CONCERNS TO WASHINGTON.
NEWSOM

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 23 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Executive Order: GS
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Handling Restrictions: n/a
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Litigation History:
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TAGS: MASS, RP
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